



POSTAL SERVICE

39 CFR Part 111

New Mailing Standards for Domestic Mailing Services Products

AGENCY: Postal Service™.

ACTION: Proposed rule.

SUMMARY: On October 9, 2019, the Postal Service (USPS®) filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC), effective January 26, 2020. This proposed rule contains the revisions to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) that we would adopt to implement the changes coincident with the price adjustments.

DATES: Submit comments on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Mail or deliver written comments to the Manager, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260-5015. If sending comments by email, include the name and address of the commenter and send to *ProductClassification@usps.gov*, with a subject line of "January 2020 Domestic Mailing Services Proposal." Faxed comments are not accepted.

Confidentiality

All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or inappropriate for public disclosure.

You may inspect and photocopy all written comments, by appointment only, at USPS® Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor North, Washington, DC, 20260. These records are available for review on Monday through Friday, 9 am - 4 pm, by calling 202-268-2906.

FOR FURTHER INFORMATION CONTACT: Jacqueline Erwin at (202) 268-2158, or Dale Kennedy at (202) 268-6592.

SUPPLEMENTARY INFORMATION: Proposed prices will be available under Docket No. R2020-1 on the Postal Regulatory Commission's Web site at www.prc.gov.

The Postal Service's proposed rule includes: Changes to prices, mail classification updates, product simplification efforts, and a few minor revisions to the DMM.

Permit Simplification

Currently, mailers are required to pay annual presort and destination entry fees for certain mailings.

The Postal Service is proposing to simplify permits in order to better serve customers and to utilize current and new technologies that have eliminated prior operational costs for permit creation, payment, and maintenance. The simplification would allow auto-finalization for Seamless Acceptance mailings without presort fees being paid. The annual presort fee will be required to be paid for any mailing not eligible for Seamless Acceptance.

PO Box Fee Group Reassignments

In Docket No. R2020-1, the Postal Service is proposing to reassign some ZIP Codes to the next higher-priced fee group based on market characteristics, such as occupancy and growth rates. Consistent with this proposal, the Postal Service plans to add more substantive standards to the authorizing language in DMM 508.4.4.2, specifying the basis upon which such reassignments to more appropriate fee groups might be made.

Full-Service Exemption Calculation Change

Currently, mailers who present automation mailings of First-Class Mail cards, letters, and flats, USPS Marketing Mail letters and flats, or Bound Printed Matter flats that contain 90 percent or more of their presort eligible pieces at full-service automation prices are exempt from paying annual presort mailing or destination entry fees, as applicable, for qualified full-service mailings. USPS Marketing Mail Saturation and EDDM flats are eligible for presort rates but ineligible for full-service incentives. Saturation and EDDM flats are included in the denominator of the calculation, but not the numerator.

The Postal Service is proposing to change the full-service fee exemption calculation to exempt annual presort and destination entry fees for those customers who enter 90 percent or more full-service eligible volume as full-service. Additionally, at least 75 percent of all the mailer's volume must be full-service eligible. The new formula excludes USPS Marketing Mail Saturation flats (including EDDM) and EDDM letter mailings from the denominator. This change would allow more mailers to qualify for an exemption from paying annual mailing fees.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comments on the following proposed revisions to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations. See 39 CFR 111.1.

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR part 111 is proposed to be amended as follows:

PART 111 – [AMENDED.]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the *Mailing Standards of the United States Postal Service*,

Domestic Mail Manual (DMM) as follows:

***Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM)**

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200 Commercial Mail

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230 First-Class Mail

233 Prices and Eligibility

1.0 Prices and Fees

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1.5 Presort Mailing Fee

[Revise the second sentence of 1.5; to read as follows:]

Payment of this fee does not apply to qualified full-service mailings (under 705.23.3.1a).

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240 Commercial Mail USPS Marketing Mail

243 Prices and Eligibility

1.0 Prices and Fees

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1.4 Fees

1.4.1 Presort Mailing Fee

[Revise the second sentence of 1.4.1; to read as follows:]

*** Payment of this fee does not apply to mailers who present qualified full-service mailings (under 705.23.3.1a).***

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260 Commercial Mail Bound Printed Matter

263 Prices and Eligibility

1.0 Prices and Fees

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1.2 Presorted and Carrier Route Bound Printed Matter

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1.2.5 Destination Entry Mailing Fee

[Revise the last sentence of 1.2.5; to read as follows:]

***Payment of this fee does not apply to mailers who present only qualified full-service flat-size mailings (under 705.23.3.1a).

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500 Additional Services

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508 Recipient Services

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4.0 Post Office Box Service

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4.4 Basis of Fees and Payment

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4.4.2 Fee Changes

[Revise the second sentence of 4.4.2; to read as follows:]

In addition, the USPS may assign a fee group to a new ZIP Code, may reassign one or more 5-digit ZIP Codes to the next higher or lower fee group based on the ZIP Codes' cost and market characteristics, or may regroup 5-digit ZIP Codes.

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5.0 Caller Service

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5.5 Basis of Fees and Payment

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5.5.3 Fee Changes

[Revise the text of 5.5.3 by adding new last sentence; to read as follows:]

***In addition, the USPS may assign a fee group to a new ZIP Code, may reassign one or more 5-digit ZIP Codes to the next higher or lower fee group based on the ZIP Codes' cost and market characteristics, or may regroup 5-digit ZIP Codes.

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700 Special Standards

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705 Advanced Preparation and Special Postage Payment Systems

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22.0 Seamless Acceptance Program

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22.3 Basic Standards

[Revise the introductory text of 22.3, by adding new second and third sentences to read as follows:]

Any permits used in a Seamless acceptance mailing will not prevent that mailing from being finalized regardless of if an annual fee is due on that permit. However, the first time the permit is used for a non-seamless mailing the mailer will have to pay the permit fee if they do not meet the requirements for a fee waiver.

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23.0 Full-Service Automation Option

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23.2 General Eligibility Standards

[Revise the first sentence of the introductory text of 23.2; to read as follows:]

First-Class Mail (FCM), Periodicals, and USPS Marketing Mail, cards (FCM only), letters (except letters using simplified address format) and flats meeting eligibility requirements for automation or carrier route prices (except for USPS Marketing Mail ECR saturation flats), and Bound Printed Matter presorted or carrier route barcoded flats, are potentially eligible for full-service incentives.***

23.3 Fees

[Revise the title of 23.3.1; to read as follows:]

23.3.1 Eligibility for Exception to Payment of Annual Fees and Waiver of Deposit of Permit Imprint Mail Restrictions

[Revise the introductory text of 23.3.1; to read as follows:]

Mailers who present automation or presort mailings (of First-Class Mail cards, letters, and flats, USPS Marketing Mail letters and flats, or Bound Printed Matter flats) that contain 90 percent or more full-service eligible mail as full-service, and 75 percent of their total mail is eligible for full-service incentives, are eligible for the following exception to standards:

[Revise the text of item 23.3.1a; to read as follows:]

a. Annual presort mailing or destination entry fees, as applicable, do not apply to mailings entered by mailers who meet both the 90 percent and 75 percent full-service thresholds, for qualified full-service mailings, as specified in 23.3.1.***

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Notice 123 (Price List)

[Revise prices as applicable.]

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We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

Joshua J. Hofer,

Attorney, Federal Compliance.

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